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HOUSE RESEARCH ORGANIZATION

daily floor report

Tuesday, April 18, 2017
85th Legislature, Number 52
The House convenes at 10 a.m.

Twelve bills are on the daily calendar for second-reading consideration today. They are listed on the following page.



Dwayne Bohac
Chairman
85(R) - 52

HOUSE RESEARCH ORGANIZATION

Daily Floor Report

Tuesday, April 18, 2017

85th Legislature, Number 52

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SUBJECT: Revising financial statement reporting requirements

COMMITTEE: General Investigating and Ethics — committee substitute recommended

VOTE: 7 ayes — S. Davis, Moody, Capriglione, Nevárez, Price, Shine, Turner
0 nays

WITNESSES: For — Dave Jones, Clean Elections Texas; (*Registered, but did not testify*: JC Dufresne, Common Cause Texas; Joanne Richards, Common Ground for Texans; Carol Birch, Public Citizen Texas; Craig McDonald, Texans for Public Justice; Lon Burnam; Dan Eckam)

Against — None

On — (*Registered, but did not testify*: Ian Steusloff, Texas Ethics Commission)

BACKGROUND: State officers, candidates for office, and state party chairs must file annual financial statements with the Texas Ethics Commission. Government Code, sec. 572.023(b) requires the disclosure of the number of shares of stock of any business held or acquired, and if sold, the category of the amount of net gain or loss realized from the sale.

DIGEST: CSHB 1377 would revise requirements for identifying stock interests in personal financial statements filed at the Texas Ethics Commission and add a recordkeeping requirement.

The bill would amend current law to limit disclosure requirements to:

- identification by name and category of the greatest number of shares of stock of any non-publicly traded business entity held or acquired, and if sold, the category of the amount of net gain or loss; and
- identification by stock symbol and the category of the number of shares of stock of any publicly traded corporation held.

The bill also would add a requirement that financial statement filers maintain a record of the information used to file the statement and preserve the records for at least three years from the filing deadline.

This bill would take effect September 1, 2017, and would apply only to financial statements due on or after that date.

**SUPPORTERS
SAY:**

CSHB 1377 would simplify the personal financial statements that officeholders and candidates must file at the Texas Ethics Commission. This would make it easier for filers to complete their reports while retaining sufficient transparency on their business holdings.

Filers no longer would have to calculate net gains or losses from the sale of publicly held stock. Information about publicly traded stocks and their value is readily available through the corporation's federal filings and on the internet. The bill would retain the requirement that filers list by category the number of shares held in that entity and would require reporting by stock symbols, a commonly understood identification of a corporation.

Filers still would be required to include gains or losses from a sale of stock in non-publicly traded business entities. These type of businesses may be privately owned and have less information available to the general public on the internet.

Currently, there is no requirement that a filer retain records related to their reports. The bill would require that such records be retained for at least three years after a report was filed. This would cover the two-year statute of limitations for bringing criminal charges related to the reporting requirements, plus an additional year.

**OPPONENTS
SAY:**

No apparent opposition.

NOTES:

The committee substitute differs from the filed bill by requiring a filer to report the category of the number of stock shares held in any publicly traded corporation.

SUBJECT: Repealing restrictions on activity by general-purpose political committees

COMMITTEE: General Investigating and Ethics — favorable, without amendment

VOTE: 7 ayes — S. Davis, Moody, Capriglione, Nevárez, Price, Shine, Turner
0 nays

WITNESSES: For — Dave Jones, Clean Elections Texas; (*Registered, but did not testify*: JC Dufresne, Common Cause Texas; Joanne Richards, Common Ground for Texans; Carol Birch, Public Citizen Texas; Craig McDonald, Texans for Public Justice)

Against — None

On — (*Registered, but did not testify*: Ian Steusloff, Texas Ethics Commission)

BACKGROUND: Election Code, sec. 251.001(14) defines a general-purpose committee as a political committee that supports or opposes two or more candidates or officeholders who are unidentified or one or more measures that are unidentified. Sec. 253.031(b) restricts a political committee from making or authorizing political contributions in excess of \$500 unless it has appointed a campaign treasurer. With some exceptions, sec. 253.037 restricts a general-purpose political committee from knowingly making or authorizing a political contribution or expenditure unless the committee has filed its campaign treasurer appointment at least 60 days prior and accepted political contributions from at least 10 persons.

In August 2014, the 5th U.S. Circuit Court of Appeals in *Catholic Leadership Coalition of Texas v. Reisman* struck down portions of Election Code, sec. 253.037 addressing requirements for general-purpose committees on the timing of the treasurer appointment and accepting contributions from at least 10 persons.

DIGEST: HB 1378 would repeal provisions of the Election Code that restrict a general-purpose political committee from knowingly making or

authorizing a political contribution or expenditure unless the committee has filed its campaign treasurer appointment at least 60 days prior and accepted political contributions from at least 10 persons.

This bill would take effect September 1, 2017.

**SUPPORTERS
SAY:**

HB 1378 would repeal restrictions on the activities of general purpose political committees that have been ruled unconstitutional by a federal appeals court. The 5th U.S. Circuit Court of Appeals in 2014 said that the restrictions effectively created a 60-day waiting period during which a committee cannot make contributions and were in violation of the First Amendment. The bill would enhance free speech rights and align the Election Code with the federal appeals court ruling, removing the potential for future litigation.

**OPPONENTS
SAY:**

No apparent opposition.

SUBJECT: Requiring out-of-state political committees to report activity

COMMITTEE: General Investigating and Ethics — favorable, without amendment

VOTE: 7 ayes — S. Davis, Moody, Capriglione, Nevárez, Price, Shine, Turner
0 nays

WITNESSES: For — Dave Jones, Clean Elections Texas; (*Registered, but did not testify*: JC Dufresne, Common Cause Texas; Joanne Richards, Common Ground for Texans; Carol Birch, Public Citizen Texas; Craig McDonald, Texans for Public Justice; and Lon Burnam)

Against — (*Registered, but did not testify*: Chris Sacia)

On — Ian Steusloff, Texas Ethics Commission; Tony McDonald

BACKGROUND: Election Code, sec. 251.001 defines an out-of-state political committee as one that makes political expenditures outside Texas and, in the 12 months before making a political expenditure in Texas, makes 80 percent or more of its total political expenditures in any combination of elections outside Texas and federal offices not voted on in Texas.

A general-purpose committee is defined as one that has among its principal purposes:

- to support or oppose two or more candidates who are unidentified or seeking unknown offices;
- to support or oppose one or more unidentified measures; or
- to assist two or more unidentified officeholders.

Election Code, sec. 254.161 requires a general-purpose committee other than certain committees affiliated with a political party to give notice of its political contributions or political expenditures on behalf of a candidate or officeholder to the affected candidate or officeholder.

Under sec. 254.261, a person acting alone who makes direct campaign

expenditures in an election exceeding \$100 from the person's own property is subject to the same requirements as the campaign treasurer of a general-purpose committee to report expenditures to the Texas Ethics Commission.

DIGEST: HB 1379 would require out-of-state political committees that do not file a campaign treasurer appointment to comply with certain requirements applicable to general-purpose political committees. These out-of-state political committees would have to comply with reporting requirements for direct campaign expenditures exceeding \$100 under Election Code, sec. 254.261. An out-of-state political committee would have to designate an officer of the committee to notify candidates or officeholders on whose behalf the out-of-state committee had accepted political contributions or made political expenditures.

This bill would take effect September 1, 2017.

SUPPORTERS SAY: HB 1379 would enhance election transparency by requiring certain out-of-state political committees to notify candidates of political expenditures it made on their behalf. For instance, an out-of-state committee would have to notify a candidate when it ran advertisements independent of the candidate's campaign that explicitly supported or benefited that candidate.

This would align notification requirements for out-of-state political committees that have not appointed a campaign treasurer with out-of-state committees that have appointed a campaign treasurer and with general-purpose political committees. It is appropriate to apply the same standards to each type of political committee.

While some have expressed concerns about the kinds of expenditures out-of-state political committees would have to report to the Texas Ethics Commission, commission staff should be able to clarify when certain expenditures need to be reported. Spending by an out-of-state political committee in opposition to a candidate may not constitute a reportable campaign expenditure.

OPPONENTS SAY: HB 1379's requirement that an out-of-state political committee notify a candidate of expenditures it made directly on the candidate's behalf is

unnecessary because these expenditures likely were not coordinated with the candidate and the candidate may not approve of them.

In addition, the Texas Ethics Commission's reporting requirement could be difficult for political committees to interpret. For instance, questions could arise as to whether a committee's spending on advertising that opposed a particular candidate was actually a direct campaign expenditure for another candidate that would have to be reported.

SUBJECT: Allowing electronic notices by the Texas Ethics Commission

COMMITTEE: General Investigating & Ethics — favorable, without amendment

VOTE: 7 ayes — S. Davis, Moody, Capriglione, Nevárez, Price, Shine, Turner
0 nays

WITNESSES: For — (*Registered, but did not testify*: Joanne Richards, Common Ground for Texans; Carol Birch, Public Citizen Texas)

Against — None

On — (*Registered, but did not testify*: Ian Steusloff, Texas Ethics Commission)

BACKGROUND: Government Code, sec. 572.030 (b) requires the Texas Ethics Commission to mail certain notices to individuals who are required to file an annual financial statement.

DIGEST: HB 1381 would remove the requirement that the Texas Ethics Commission (TEC) mail certain notices to individuals required to file an annual financial statement. The commission could adopt rules prescribing how it would provide these notices, as well as others related to lobbyist registration and campaign finance reports.

The bill would not authorize TEC to adopt rules prescribing a method other than mail for issuing warnings of liability to late filers or notices involving complaints or enforcement.

HB 1381 would eliminate a requirement for the TEC, at an individual's request, to mail a copy of the financial statement forms, instructions, and information on associated mailing fees.

This bill would take effect September 1, 2017.

SUPPORTERS SAY: HB 1381 would authorize the Texas Ethics Commission to adopt rules

prescribing how it would notify officials of due dates and instructions on filing their personal financial statements. This would help the agency streamline its administrative functions by allowing it to send notices regarding financial statements by e-mail or other electronic means. Late filers who might face fines would continue to be notified by mail.

The bill also would specify that electronic notification applied to campaign finance and lobby reports, which would update statute to reflect the commission's current practice.

OPPONENTS
SAY:

No apparent opposition.

SUBJECT: Removing certain financial restrictions on House speaker campaigns

COMMITTEE: General Investigating and Ethics — favorable, without amendment

VOTE: 7 ayes — S. Davis, Moody, Capriglione, Nevárez, Price, Shine, Turner
0 nays

WITNESSES: For — None

Against — None

On — (*Registered, but did not testify*: Ian Steusloff, Texas Ethics Commission)

BACKGROUND: Government Code, sec. 302.017 prohibits certain entities — including corporations, unions, foundations, and others — from making contributions or lending money or other things of value to a candidate for speaker of the Texas House of Representatives or to aid or defeat a speaker candidate. Sec. 302.019 restricts an individual's contribution to personal services, travel expenses, and up to \$100 for the cost of correspondence to aid or defeat a speaker candidate.

A lawsuit, *Free Market Foundation v. Reisman*, resulted in a 2008 decision from the U.S. District Court in Austin that those restrictions violate the First Amendment.

DIGEST: HB 1384 would repeal Government Code, sec. 302.017, which currently prohibits certain entities from making contributions or lending money or other things of value to aid or defeat a candidate for speaker of the Texas House of Representatives, and would remove language that currently makes it a class A misdemeanor (up to one year in jail and/or a maximum fine of \$4,000) for a speaker candidate or former speaker candidate to knowingly accept a contribution or loan from an entity governed by sec. 302.017.

The bill also would repeal sec. 302.019, which currently limits individual

contributions to aid or defeat a speaker candidate.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2017.

**SUPPORTERS
SAY:**

HB 1384 would eliminate statutory provisions connected to campaign contributions and expenditures by individuals and certain entities to Texas speaker of the House candidates that have been held unconstitutional by a federal district court, making them unenforceable. By removing this language from Texas law, the bill would protect the Texas Ethics Commission from potential litigation.

**OPPONENTS
SAY:**

No apparent opposition.

SUBJECT: Exempting certain commercial scales from registration and inspection

COMMITTEE: Licensing and Administrative Procedures — favorable, without amendment

VOTE: 6 ayes — Kuempel, Guillen, Frullo, Hernandez, Paddie, S. Thompson
0 nays
2 absent — Goldman, Herrero
1 present not voting — Geren

WITNESSES: For — Jim Hallers, Texas Restaurant Association; Skeeter Miller;
(*Registered, but did not testify*: Matt Burgin, Texas Food and Fuel Association; Jim Sheer, Texas Retailers Association)

Against — None

On — (*Registered, but did not testify*: Stuart Strnad, Texas Department of Agriculture; Sacha Jacobson)

BACKGROUND: Agriculture Code, ch. 13 governs the registration and inspection of scales used for commercial transactions. Sec. 13.1011 requires the owner or operator of a scale to register it with the Texas Department of Agriculture (TDA) prior to use and to renew the registration annually. The department may assess late fees against operators who fail to register or renew a registration. Once registered, the original certificate of registration must be prominently displayed and a consumer information sticker placed on or near the scale in plain sight of consumers, according to TDA rules.

Sec. 13.101 makes the owner or operator of a registered scale responsible for ensuring it is inspected by TDA at least once every four years. Under sec. 13.1001, TDA may inspect a scale if it believes the scale is unregistered and being used for commercial transactions. Sec. 13.1151 allows TDA to charge a fee to recover the costs of registration and inspection.

DIGEST: HB 2029 would exempt a commercial weighing or measuring device used exclusively to weigh food sold for immediate consumption from inspection and registration requirements under Agriculture Code, ch. 13.

The bill would take effect September 1, 2017.

SUPPORTERS SAY: HB 2029 would reduce excessive regulation negatively impacting Texas restaurants by exempting from inspection and registration requirements scales used to weigh food sold for immediate consumption, such as those used in barbecue restaurants or at salad bars. The restaurant business is already expensive, and these regulations significantly increase costs due to registration fees and consumer information requirements.

Many restaurants sell food by weight, including frozen yogurt and sandwich shops. Buying specific scales that then must be certified, inspected, and registered annually by the Texas Department of Agriculture (TDA) adds needless expenses. Many restaurants selling food for immediate consumption were not aware of the requirements for scales until recently, when the regulations began to be more strictly enforced, and coming into compliance may be burdensome for some. For example, meeting the requirement that consumer information stickers be placed on or near the scale in plain view of the consumer may cause restaurants to incur substantial costs to redesign pay stations or service areas because the scales often are behind the counter or in the kitchen. This bill appropriately would exempt restaurants selling food by weight for immediate consumption from these regulations.

Local health inspectors check the scales once or twice a year, so additional inspection by TDA is unnecessary. Texas restaurants are not short-changing customers who buy food by weight, and any restaurant that did so would suffer economic consequences from lost business and bad reviews.

OPPONENTS SAY: The registration and inspection program was put into place to protect the Texas consumer. Registration with and inspection by TDA ensures that the scales are not skewed in the restaurant's favor.

SUBJECT: Revising laws on human trafficking, prostitution, and related crimes

COMMITTEE: State Affairs — favorable, without amendment

VOTE: 10 ayes — Cook, Craddick, Farrar, Geren, K. King, Kuempel, Meyer, Paddie, E. Rodriguez, Smithee

0 nays

3 absent — Giddings, Guillen, Oliveira

WITNESSES: For — David Lunan, Bexar County Criminal District Attorney; Brenda Koegler, League of Women Voters of Texas; Esther Goetsch, Truckers Against Trafficking; (*Registered, but did not testify*: Ann Hettinger, Center for the Preservation of American Ideals; Emily Freeborn, Children at Risk; Kathryn Freeman, Christian Life Commission; Rene Lara, Texas AFL-CIO; Joshua Houston, Texas Impact; Les Findeisen, Texas Trucking Association; Jennifer Allmon, The Texas Catholic Conference of Bishops; Trayce Bradford; Tura Cook)

Against — None

On — Kirsta Melton, Office of the Attorney General

BACKGROUND: The 81st Legislature created the Texas Human Trafficking Prevention Task Force in 2009 through enactment of HB 4009 by Weber. The task force, which is coordinated by the Office of the Attorney General, is a collaborative body composed of state agencies, local law enforcement, district attorneys, and non-governmental organizations that is designed to address human trafficking from multiple perspectives.

Every two years the task force submits a report with recommendations to the Legislature. The latest report was released in December 2016. The task force is scheduled to expire on September 1, 2017.

DIGEST: HB 29 would revise laws on human trafficking, prostitution, and related crimes. The bill also would modify the composition of the Texas Human

Trafficking Prevention Task Force and remove its expiration date of September 1, 2017.

Human trafficking

Civil investigative demand. HB 29 would allow the Office of the Attorney General to pursue a civil investigative demand before beginning a proceeding for civil racketeering related to human trafficking. The bill would provide procedures for service and proof of service, compliance and noncompliance, documentary material, interrogatories, oral examination, disclosure and use of material, jurisdiction, and recovery of investigation costs. Deliberate noncompliance with a civil investigative demand under the bill would be a misdemeanor offense punishable by a fine of not more than \$5,000 and/or up to one year in a county jail. A person served a civil investigative demand could petition for the demand to be set aside or modified.

Training. The bill would direct the Texas Higher Education Coordinating Board to adopt rules requiring public junior colleges offering a commercial driver's license training program to include in the program education on recognition and prevention of human trafficking. The Texas Workforce Commission would have to adopt rules requiring this information to be included in commercial driver's license training programs offered by career schools or colleges. The coordinating board and the commission would work with the attorney general to establish the training content, and both agencies would be required to adopt rules by December 1, 2017.

Sex offender registration. HB 29 would add continuous human sex trafficking that was based wholly or partly on conduct that constituted prostitution or a sexual offense involving a child to the crimes that require registration as a sex offender. Other than for an adjudication of delinquent conduct, lifetime registration would be required.

Prioritized hearings. Offenses involving child sex trafficking would be added to the list of pending matters that the state's trial courts would have to prioritize for hearings and trials.

Prostitution

Penalties for promotion of prostitution. HB 29 would raise the penalty for

promotion of prostitution from a class A misdemeanor (up to one year in jail and/or a maximum fine of \$4,000) to a state-jail felony (180 days to two years in a state jail and an optional fine of up to \$10,000). Subsequent convictions would be increased from a state-jail felony to a third-degree felony (two to 10 years in prison and an optional fine of up to \$10,000). The bill also would raise the penalty for aggravated promotion of prostitution from a third- to second-degree felony (two to 20 years in prison and an optional fine of up to \$10,000).

Revisions to prostitution offense. HB 29 would make various changes to the statutory definition of prostitution. It also would consolidate and amend two coexisting subsections with conflicting language that provide the penalties for prostitution.

Other provisions

Sex crimes involving children. HB 29 would establish that under certain Penal Code violations related to sex crimes involving children that ignorance about the child's age would be irrelevant to whether an offense was committed.

Compensation for specialized child care. The bill would add specialized care for a child who was a victim to the pecuniary losses for which the attorney general could award compensation under the Crime Victims' Compensation Act.

Reporting child abuse. HB 29 would raise from 13 to 14 the age under which health care professionals could report to appropriate agents certain information on minors who tested positive for STDs that otherwise could not be released under communicable disease reporting laws. The bill would specify that this provision would not affect a person's duty to report child abuse or neglect.

Task force. The bill would add the following entities to the Texas Human Trafficking Prevention Task Force: the Texas Department of Licensing and Regulation, the Office of Court Administration, the Office of the Secretary of State, and the Texas Commission on Law Enforcement. It also would remove from statute the task force's expiration date of September 1, 2017.

The bill would take effect September 1, 2017, and would apply only to an offense committed on or after that date and, to the extent of any conflict, would prevail over other bills enacted by the 85th Legislature.

**SUPPORTERS
SAY:**

HB 29 would strengthen the state's continuing efforts to combat human sex trafficking and protect its victims by adopting the Texas Human Trafficking Prevention Task Force's most recent recommendations.

Human trafficking

Civil investigative demand. A civil investigative demand allows the Office of the Attorney General (OAG) to gather civil pre-suit information. The OAG currently has civil investigative demand authority in other actions that have both civil and criminal aspects, such as Medicaid fraud, and HB 29 would give the office this authority over civil racketeering related to human trafficking.

HB 29 would improve the efficacy of civil suits against traffickers. Currently, the OAG first must file suit before obtaining the discovery needed to build a case. Accusations of human trafficking can be damaging to the reputation of a business, and with such serious charges, an opportunity to gather evidence before bringing a suit should exist. HB 29 would allow the state to investigate first and then bring more targeted actions if appropriate. By allowing information to be gathered before a suit was filed, the bill also would prevent suspected traffickers from delaying in providing information with post-suit discovery.

Training. By requiring training on identifying and reporting human trafficking in commercial driver's license programs, HB 29 would help equip thousands of drivers on Texas roads to identify and report human trafficking. At any given time, there are more truck drivers on the roads than law enforcement officers. Truck drivers are the eyes and ears on our nation's highways. They are the group most likely to encounter trafficking victims, and calls they have made to the national hotline have already led to hundreds of suspected trafficking cases involving thousands of victims, including many minors.

Sex offender registration. HB 29 would fix an inconsistency in the law by requiring those convicted of continuous sex trafficking to register for life as sex offenders. Currently, a person convicted of a single act of sex

trafficking is subject to lifetime registration as a sex offender, but those convicted of continuous sex trafficking are not. This loophole allows more grievous offenders to avoid registration.

Prioritized hearings. HB 29 would direct the state's trial courts to prioritize pending cases involving child sex trafficking. Given the vulnerability of children, moving these cases quickly through the court docket is important and would help young victims rebuild their lives.

Prostitution

Penalties for promotion of prostitution. In Texas, the punishment for promotion of prostitution is currently a class A misdemeanor and aggravated promotion of prostitution is a third-degree felony. HB 29 would increase the severity of punishment for these crimes to better correspond to their seriousness. While eliminating prostitution may not be possible, the bill would help deter people from engaging in its more exploitative forms.

Revisions to prostitution offense. HB 29 would clarify ambiguous language in the prostitution statute on the differential penalty structure for buyers and sellers of sex. In 2015, lawmakers enacted two bills amending the prostitution statutes that had conflicting punishment provisions. HB 29 would resolve the conflicting language, providing clarity for prosecutors while fulfilling the original intent of the 84th Legislature. The bill also would clarify the definition of prostitution related to the payment and receipt of a fee in exchange for sexual conduct.

Other provisions

Sex crimes involving children. Texas courts historically have interpreted child sex abuse offenses to mean that if defendants have engaged in sexual conduct with a child, they are guilty of the conduct regardless of whether they knew the child's age. HB 29 would codify this interpretation, reducing confusion for juries.

Compensation for specialized child care. The bill would provide that specialized care for a child was a pecuniary loss reimbursable under the Crime Victims' Compensation Act. Children who have been trafficked often face difficulty finding safe, appropriate placement with specialized care. HB 29 would help vulnerable children by recognizing the needs they

may have due to the trauma they have experienced.

Reporting child abuse. HB 29 would help protect child victims of sexual abuse by raising from 13 to 14 the age under which health care professionals could release certain information about potential child abuse to law enforcement or other appropriate agents under Family Code requirements. If a child has an STD, it is likely that that it came from sexual contact with an adult. While information about a minor under 13 with an STD generally may not be released by health care professionals, the bill would clarify that they still had a duty to report suspected child abuse to appropriate agents when a minor tested positive for an STD.

Task force. The membership of the Human Trafficking Prevention Task Force should reflect its expanding work. HB 29 would add members to the task force who already are working on human trafficking issues. This would improve collaboration and effectiveness.

The bill also would allow the task force to engage in longer-term planning by removing its expiration date. The task force's ability to plan is complicated by the requirement that it continuously must be renewed in statute. To help the state provide a more strategic approach to trafficking, the task force should become a permanent entity.

OPPONENTS
SAY:

Civil investigative demand. HB 29 would make deliberate noncompliance with a civil investigative demand a misdemeanor punishable by a fine of not more than \$5,000. Other deliberate noncompliance sections of a civil investigative demand impose a fine of not more than \$4,000. HB 29 should be in line with other similar laws and make deliberate noncompliance a class A misdemeanor (up to one year in jail and/or a maximum fine of \$4,000).

Reporting child abuse. HB 29 would not go far enough to protect children who may be identified by state health workers as victims of abuse. If a child under the age of consent tests positive for STDs, this may be evidence of sexual abuse by an adult. The bill should raise to 18 years old the age under which health care workers could report to appropriate agents information about a minor with an STD that otherwise could not be released, not an arbitrary age such as 14.

OTHER
OPPONENTS
SAY:

HB 29 would not make much of a difference in the long run in addressing human trafficking. The challenge in Texas is not enforcement; it is the state not providing sufficient resources to help victims. Until the state starts funding housing and rehabilitative services to get victims the help they need and off the streets, it will never seriously address the problem.

NOTES:

A companion bill, SB 1569 by Huffman, was referred to the Senate Committee on Criminal Justice on March 21.

SUBJECT: Defining when period begins for presumed abandonment of mutual funds

COMMITTEE: Investments and Financial Services — favorable, without amendment

VOTE: 6 ayes — Parker, Stephenson, Burrows, Dean, Holland, Longoria

0 nays

1 absent — E. Johnson

WITNESSES: For — None

Against — None

On — Bryant Clayton, Comptroller of Public Accounts

BACKGROUND: Under Property Code, sec. 72.101, personal property is presumed abandoned if, for longer than three years, the owner's existence and location is unknown and a claim to the property or act of ownership has not been made.

DIGEST: HB 2964 would define the events that begin the three-year period for presumption of abandonment for mutual funds. The three-year period would start on the later of either:

- the last investment in the fund made by or on behalf of the owner;
or
- the last payment to the owner or reinvestment made by or on behalf of the owner of a dividend from the fund.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2017.

SUPPORTERS SAY: HB 2964 would protect people who cannot be contacted by their mutual fund holders and whose dividends are automatically reinvested. Currently, a three-year period for presumed abandonment is triggered if someone

moves or cannot be reached by the fund holder and has not withdrawn dividends. This can happen if an owner for some reason is unreachable and unaware that automatic reinvestment alone is insufficient to prevent a presumption of abandonment.

The bill would ensure mutual funds that were never truly abandoned were not mistakenly remitted to the general revenue fund. This would protect owners from having to go through the claims process to recover their property.

**OPPONENTS
SAY:**

HB 2964 could lead to mutual funds that continued in perpetuity. If dividends were automatically reinvested, each reinvestment would restart the three-year period. If owners had lost track of their funds or died, actually abandoned mutual funds might not be identified, and these funds would not be remitted to the general revenue fund or passed on to heirs. According to the fiscal note, the bill also could have undetermined effects on the general revenue fund.

NOTES:

According to the Legislative Budget Board's fiscal note, the bill would result in an undermined loss to the general revenue fund, depending on the value of the mutual funds whose dormancy would be deferred due to automatic reinvestment.

SUBJECT: Modifying the composition of the Texas Historical Commission

COMMITTEE: Culture, Recreation and Tourism — favorable, without amendment

VOTE: 6 ayes — Frullo, Faircloth, Fallon, Gervin-Hawkins, Krause, Martinez

 0 nays

 1 absent — D. Bonnen

WITNESSES: For — John Nau, Texas Historical Commission; (*Registered, but did not testify*: John Shepperd, Texas Foundation for Conservation)

 Against — None

 On — Mark Wolfe, Texas Historical Commission

DIGEST: HB 2417 would modify the composition of the Texas Historical Commission by increasing it from nine to 15 members, all appointed by the governor. The bill would require that one member be a professional archeologist, one be a professional historian, and one be a professional architect who was licensed in Texas and had expertise in historic preservation and architectural history. The remaining 12 commission members would represent the general public.

 Individuals would not be eligible for appointment if they or their spouses had certain business interests connected to the commission.

 HB 2417 would require the governor to appoint the additional six members to the commission, including the three professional positions, for terms expiring over a specified time frame.

 The bill would take effect September 1, 2017.

**SUPPORTERS
SAY:**

HB 2417 would expand the Texas Historical Commission's membership in order to adequately represent all regions of the state. The commission's current composition of nine members is not enough to serve the 230 county historical commissions located throughout Texas.

SB 283 by Estes, enacted by the 83rd Legislature in 2013, provided for a gradual reduction in the size of the commission from 17 members to nine by 2019 in an effort to save costs and facilitate commission meetings by making it easier to achieve a quorum. In hindsight, the reduction in members was too drastic, and increasing to 15 members would ensure that the commission had proper representation from across the state.

HB 2417 also would ensure that three commission members had expertise in the fields of archeology, history, and architecture so that it could properly evaluate advice and recommendations made by commission staff.

**OPPONENTS
SAY:**

No apparent opposition.

NOTES:

A companion bill, SB 763 by Huffman, passed unanimously on the Senate's Local and Uncontested Calendar on April 3 and was referred to the House Committee on Culture, Recreation and Tourism on April 12.

SUBJECT: Requiring evidence-based trauma training for certain individuals

COMMITTEE: Human Services — committee substitute recommended

VOTE: 7 ayes — Raymond, Frank, Miller, Minjarez, Rose, Swanson, Wu

0 nays

2 absent — Keough, Klick

WITNESSES: For — Shandra Carter, Arrow Child and Family Ministry; Patrick Foster, Central Texas Table of Grace; Julie Kouri, Fostering Hope Austin; David Cross, Karyn Purvis Institute of Child Development; Will Francis, National Association of Social Workers - Texas Chapter; Amanda Herrom and Jessica Kilpatrick, Starry; Diane Ewing, Texans Care for Children; Sarah Crockett, Texas CASA; Kristen Bell, Texas Lawyers for Children; Aurora Jones, Travis County Civil District Courts; Mike Foster; Stephanie Hall; (*Registered, but did not testify*: Natalie Smith, Children at Risk, Mental Health America of Greater Houston; Dennis Borel, Coalition of Texans with Disabilities; Jolene Sanders, Easterseals; Sarah Mercado, Karyn Purvis Institute of Child Development at TCU; Margaret Johnson, League of Women Voters of Texas; Moe Dozier, Methodist Children's Home; Christine Yanas, Methodist Healthcare Ministries; Jay Hamilton, Miracle Farm; Greg Hansch, National Alliance on Mental Illness (NAMI) Texas; Katherine Barillas, One Voice Texas; David Thompson, Presbyterian Children's Homes and Services; Randy Spencer, Presbyterian Children's Homes and Services, Karyn Purvis Institute of Child Development, Texas Coalition of Homes for Children; Anais Miracle, San Antonio Children's Shelter; Estevan Delgado, Texas CASA; Joshua Houston, Texas Impact; Michelle Romero, Texas Medical Association; Dimple Patel, TexProtects; Jennifer Allmon, Texas Catholic Conference of Bishops; Katie Olse, TX Alliance of Child and Family Services; Aidan Utzman, United Ways of Texas; Knox Kimberly, Upbring; Tymothy Belseth; Tim Brown)

Against — None

On — Kristi Taylor, Children's Commission

DIGEST: CSHB 2335 would require attorneys ad litem, volunteers and employees of court-appointed volunteer advocate programs, Child Protective Services (CPS) employees, and residential child-care facility workers to complete evidence-based trauma training that included instruction on the practical application of the training to a person's duties. The evidence-based trauma training for volunteers and employees of court-appointed volunteer advocate programs, CPS employees, and residential child-care facility workers would have to prepare them to meet the routine needs of traumatized children by helping the child feel safe, build relationships, and learn to regulate the child's emotions.

The Health and Human Services Commission (HHSC) executive commissioner would adopt rules to implement training for volunteers and employees of court-appointed volunteer advocate programs, child-care workers, and CPS employees. The rules for CPS employees would be adopted using a negotiated rulemaking process and include a definition of trauma. The executive commissioner would review the evidence-based trauma training developed and adopted for CPS employees and update the subject matter at least every two years.

The bill would take effect September 1, 2017.

SUPPORTERS SAY: CSHB 2335 would equip child welfare stakeholders with the tools and knowledge needed to respond effectively to children who have experienced trauma. Children who enter Texas' child welfare system often experience trauma that can stem from abuse or neglect by their families prior to removal or from the separation from their families after removal. Trauma may include emotional, physical, and sexual abuse, neglect, human trafficking, and deprivation. These experiences can cause difficulties in learning, ongoing behavior problems, impaired relationships, and poor social and emotional competence. Traumatized youth often exhibit over-reactive responses to triggers, which can be mistaken for disobedience by those unfamiliar with trauma. The bill would help ensure those who interacted with a child daily were aware of trauma symptoms and behaviors by requiring them to undergo evidence-based trauma training.

Certain trauma care already is required by rule and in current law, such as the trauma-informed training required for certain caregivers and caseworkers under Family Code, sec. 264.015. CSHB 2335 would enhance existing trauma training by ensuring the applications were practical and relevant. Strengthening Child Protective Services (CPS) caseworkers' trauma training would improve caseworker retention and help them find better placements for children.

While attorneys ad litem are required to complete continuing legal education specific to their role, this does not include a trauma component. Because attorneys ad litem are heavily involved in a child's case, it is their responsibility to understand and represent what a child has experienced. Requiring attorneys ad litem to complete trauma training would help them advocate more strongly for a traumatized child's needs.

The evidence-based trauma training would be a worthy investment of taxpayer dollars to ensure stakeholders could apply practical skills to help heal a traumatized child.

OPPONENTS
SAY:

It would be better for CSHB 2335 to require trauma training that was evidence-informed rather than evidence-based. An evidence-based practice is one of the hardest standards to achieve because it requires a controlled clinical trial, which could limit the scope and application of the trauma training. An evidence-informed practice is an easier standard to achieve because methods can be incorporated into the training without formal clinical research.

While CPS reform is a worthy cause, the fiscal impact to the state would be significant, exceeding \$45 million in fiscal 2018-19. The bill also could place an administrative burden on counties by requiring them to provide additional training for attorneys.

OTHER
OPPONENTS
SAY:

While CSHB 2335 appropriately would increase the number of stakeholders required to undergo trauma training, the bill also should extend the requirement to therapists who interact with children in the child welfare system.

NOTES:

According to the Legislative Budget Board's (LBB's) fiscal note, CSHB 2335 would have a negative impact of \$45.6 million in general revenue related funds in fiscal 2018-19 and \$5.5 million each year thereafter. It is assumed that the current trauma training provided by the Department of Family and Protective Services would not meet the bill's evidence-based training requirement and that the department would implement the Trust-Based Relational Intervention model for CPS employees beginning in fiscal 2018.

CSHB 2335 differs from the bill as filed in numerous ways. The bill as filed would have required trauma training only for CPS caseworkers who interacted with children daily and employees of certain residential child-care facilities.

SUBJECT: Providing mental health screenings with the Texas Health Steps program

COMMITTEE: Public Health — favorable, without amendment

VOTE: 8 ayes — Price, Sheffield, Burkett, Collier, Cortez, Guerra, Oliverson,
Zedler

0 nays

3 absent — Arévalo, Coleman, Klick

WITNESSES: For — Michele Guzman, Meadows Mental Health Policy Institute; Greg Hansch, National Alliance on Mental Illness (NAMI) Texas; Pritesh Gandhi, Texas Pediatric Society, Texas Medical Association, and Texas Academy of Family Physicians; (*Registered, but did not testify*: Matt Moore, Children's Health System of Texas; Christine Bryan, Clarity Child Guidance Center; Eric Woomer, Federation of Texas Psychiatry; Grace Chimene, League of Women Voters of Texas; Will Francis, National Association of Social Workers-Texas Chapter; Dan Hinkle, Texas Academy of Family Physicians; Donald Lee, Texas Conference of Urban Counties; Carrie Kroll, Texas Hospital Association; Michelle Romero, Texas Medical Association; Aidan Utzman, United Ways of Texas; Leslie Lestz; Thomas Parkinson)

Against — Lee Spiller, Citizens Commission on Human Rights; (*Registered, but did not testify*: Judy Powell and Johana Scot, Parent Guidance Center; and 13 individuals)

On — Joshua Newman, Texas Home School Coalition; (*Registered, but did not testify*: Tamela Griffin, Health and Human Services Commission)

BACKGROUND: The Texas Health Steps program is Medicaid's wellness program for children from birth to age 20. The program allows free medical exams starting at birth and free dental exams starting at 6 months old. Each exam includes all medical screenings, vaccinations, and laboratory tests recommended by the American Academy of Pediatrics for the child's age.

DIGEST: HB 1600 would require the Health and Human Services executive commissioner to set rules to:

- require that the Texas Health Steps program provide at least one mental health screening to each recipient who was between 12 and 18 years old, using one or more validated, standardized mental health screening tools;
- require that the mental health screening be conducted during a recipient's annual medical exam;
- allow a provider to conduct these screenings; and
- only allow a provider to be reimbursed for one such screening per recipient during the recipient's annual medical exam.

If, before implementing any provision of the bill, a state agency determined that a waiver or authorization from a federal agency was necessary, the affected agency would be required to request the waiver or authorization and could delay implementing that provision until the waiver or authorization was granted.

The bill would take effect September 1, 2017.

SUPPORTERS SAY: HB 1600 would implement a recommendation made by the House Select Committee on Mental Health to require at least annual mental health screenings during Texas Health Steps visits. The bill would improve access to mental health screenings for adolescents enrolled in Medicaid.

Many mental illnesses begin around age 12, making early detection and intervention critical. Targeting symptoms early leads to better outcomes, lessens the chance of disability, and can prevent years of suffering. Many significant life events, including trauma, can occur between the ages of 12 and 18. HB 1600 would permit health providers to conduct mental health screenings annually rather than once in a patient's lifetime, allowing them to address issues of trauma and mental illness before they worsen. Health screenings, including mental health screenings, are common across the country and are recommended by the American Academy of Pediatrics.

These screenings are evidence-based, quick and inexpensive to provide, and most pediatricians' offices already use them on a yearly basis. The

screenings allowed by the bill would use validated, standardized mental health screening tools that have demonstrated reliability and validity.

HB 1600 would not mandate, but would allow, a physician to provide a mental health screening at each annual Texas Health Steps visit. State Medicaid policy already requires a mental health screening once per lifetime for Medicaid clients ages 12 through 18 in the Texas Health Steps program and allows annual screenings. HB 1600 simply would mirror this policy in statute and allow the Health and Human Services Commission to update its rate setting process to include reimbursement for annual screenings using a validated, standardized tool.

Current law requiring client or parental consent for the Texas Health Steps program would apply to the mental health screenings allowed by the bill. Adding consent language to the bill would be redundant and would create more paperwork for parents and providers. The Texas Health Steps program already allows parents to refuse consent for any component of the program without opting out of the entire program.

**OPPONENTS
SAY:**

HB 1600's language is unclear and could be interpreted as a mandate that children receive mental health screenings every year, not once in a lifetime. Conducting these screenings frequently could lead to unnecessary treatment or misdiagnosis of psychiatric symptoms in children.

**OTHER
OPPONENTS
SAY:**

The existing consent requirement for the Texas Health Steps program does not make it clear to parents that they could opt out of the mental health screening. The bill should specify that parents could decline specific screenings without opting out of the entire program.

NOTES:

A companion bill, SB 817 by Watson, was referred to the Senate Health and Human Services Committee on February 27.

SUBJECT: Sales by brewpubs to holders of three types of wholesaler permits

COMMITTEE: Licensing and Administrative Procedures — favorable, without amendment

VOTE: 8 ayes — Kuempel, Guillen, Frullo, Geren, Hernandez, Herrero, Paddie, S. Thompson

0 nays

1 absent — Goldman

WITNESSES: For — (*Registered, but did not testify*: Rick Donley, the Beer Alliance of Texas; Tom Spilman, Wholesale Beer Distributors of Texas)

Against — None

On — (*Registered, but did not testify*: Thomas Graham, Texas Alcoholic Beverage Commission)

BACKGROUND: The Alcoholic Beverage Code establishes three types of permits for wine, spirits, and ale wholesalers:

- wholesaler (ch. 19);
- general class B wholesaler (ch. 20); and
- local class B wholesaler (ch. 21).

Alcoholic Beverage Code, ch. 74 governs the activities of brewpubs and authorizes brewpubs to sell their products on their premises to consumers and to make certain other sales to distributors and wholesalers. Sales by brewpubs to wholesalers are governed by sec. 74.10, which allows sales of ale and malt liquor to the holders of *local* class B wholesaler's permits.

Alcoholic Beverage Code, sec. 20.01 authorizes *general* class B wholesalers to make purchases from brewpubs.

DIGEST: HB 2098 would authorize brewpubs to sell ale and malt liquor to holders

of wholesaler's permits and *general* class B wholesaler's permits.

The bill would allow holders of wholesaler's permits and *local* class B wholesaler's permits to make purchases from brewpubs.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2017.

SUPPORTERS
SAY:

HB 2098 would address an oversight in a 2013 law that was designed to allow brewpubs to sell their products to all three types of wholesalers but instead authorized sales to only one type of wholesaler and did not authorize all types of wholesalers to make purchases from brewpubs.

This has resulted in the statute authorizing brewpubs to sell only to local class B wholesalers and not to general class B wholesalers or to wholesalers. It also has meant that only general class B wholesalers may buy alcohol from brewpubs.

HB 2098 would resolve this problem so brewpubs could sell to all three types of wholesalers and all three types of wholesalers could make purchases from brewpubs. This would implement the intent and goal of the 2013 law to create an avenue for the growth of brewpubs and to put them on equal footing with brewpubs in other states. The bill would align the statute with current practices of brewpubs and wholesalers and of the Texas Alcoholic Beverage Commission, which has not taken any action when brewpubs and wholesalers have bought from and sold to each other in the spirit of the 2013 law.

OPPONENTS
SAY:

No apparent opposition.